



CANADIAN TRANSPORTATION RESEARCH FORUM
LE GROUPE DE RECHERCHES SUR LES TRANSPORTS AU CANADA

THE NORTH AMERICA RAILWAY

Some challenges &
opportunities

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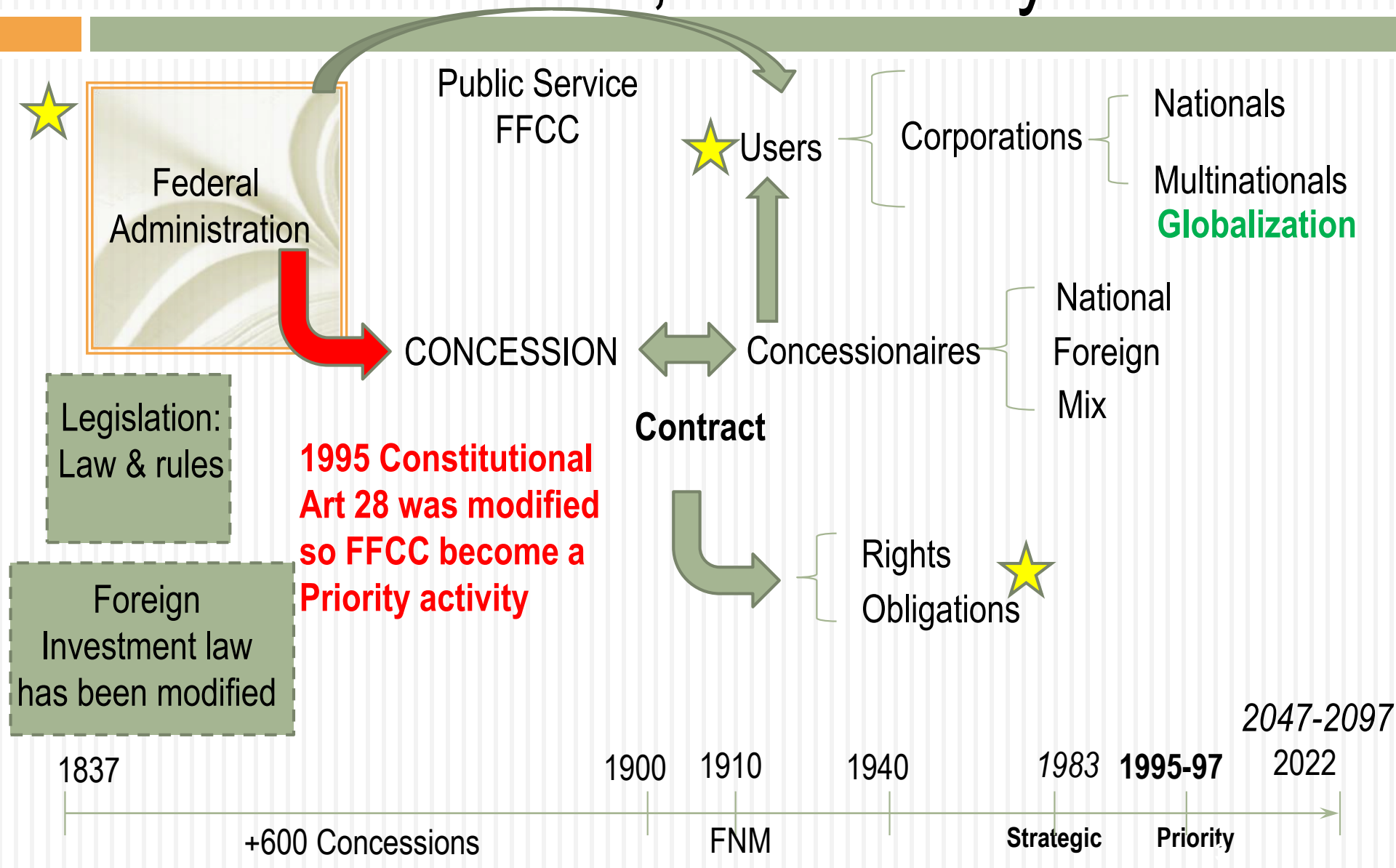
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TOPICS

1. Mexico Railway System as a concession
2. Mexico's Railway Map & concessionaires
3. The North America Railway routes from Asia:
 - Rail track % by country
 - US market request
 - Railway & distance benefits
4. Opportunities
 - Railway & distance benefits
 - Passengers & flights at low cost as in EU
5. Challenges
 - Trackage rights
 - Port routes

Mexico Railway System is moved by Concessionaires, not Railway owners



Railway Service in Mexico

“To fulfill the Railways public service needs by Federal government Administration is not a commitment it is an obligation; it is a “shall” imposed by the everyone’s interest”¹

Jorge Fernández, PhD

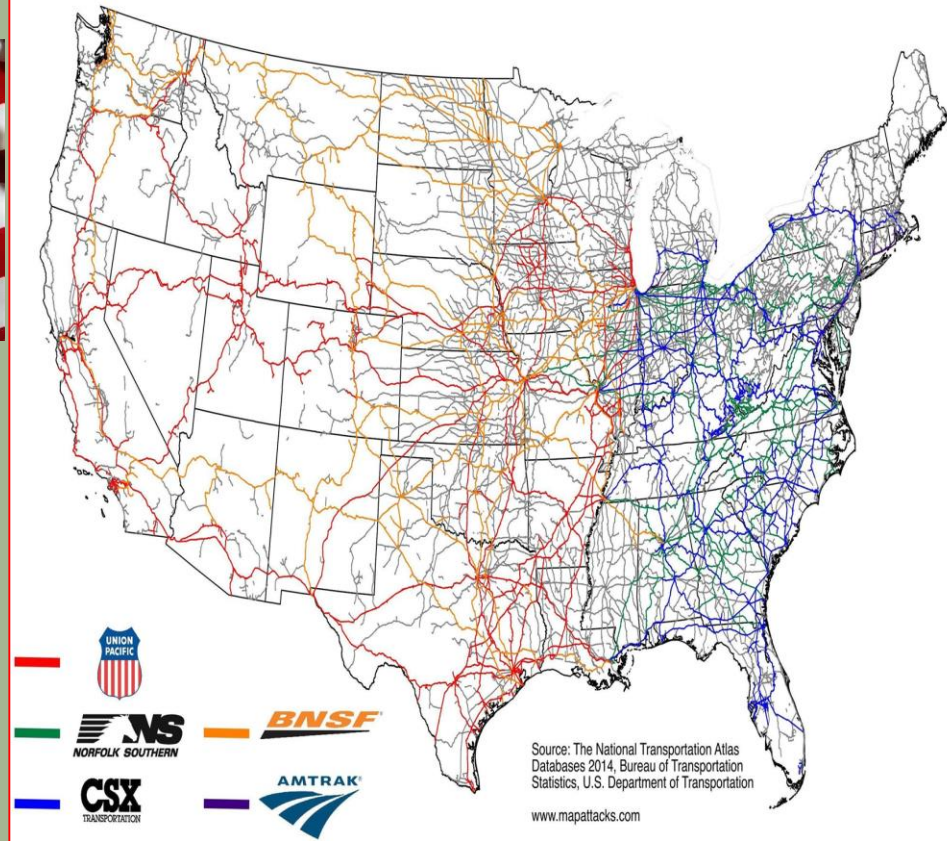
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¹ Fernández, Jorge, *DERECHO ADMINISTRATIVO, Servicios Públicos*, México Porrúa UNAM 1995, p. 19.

% Track by country

74



21



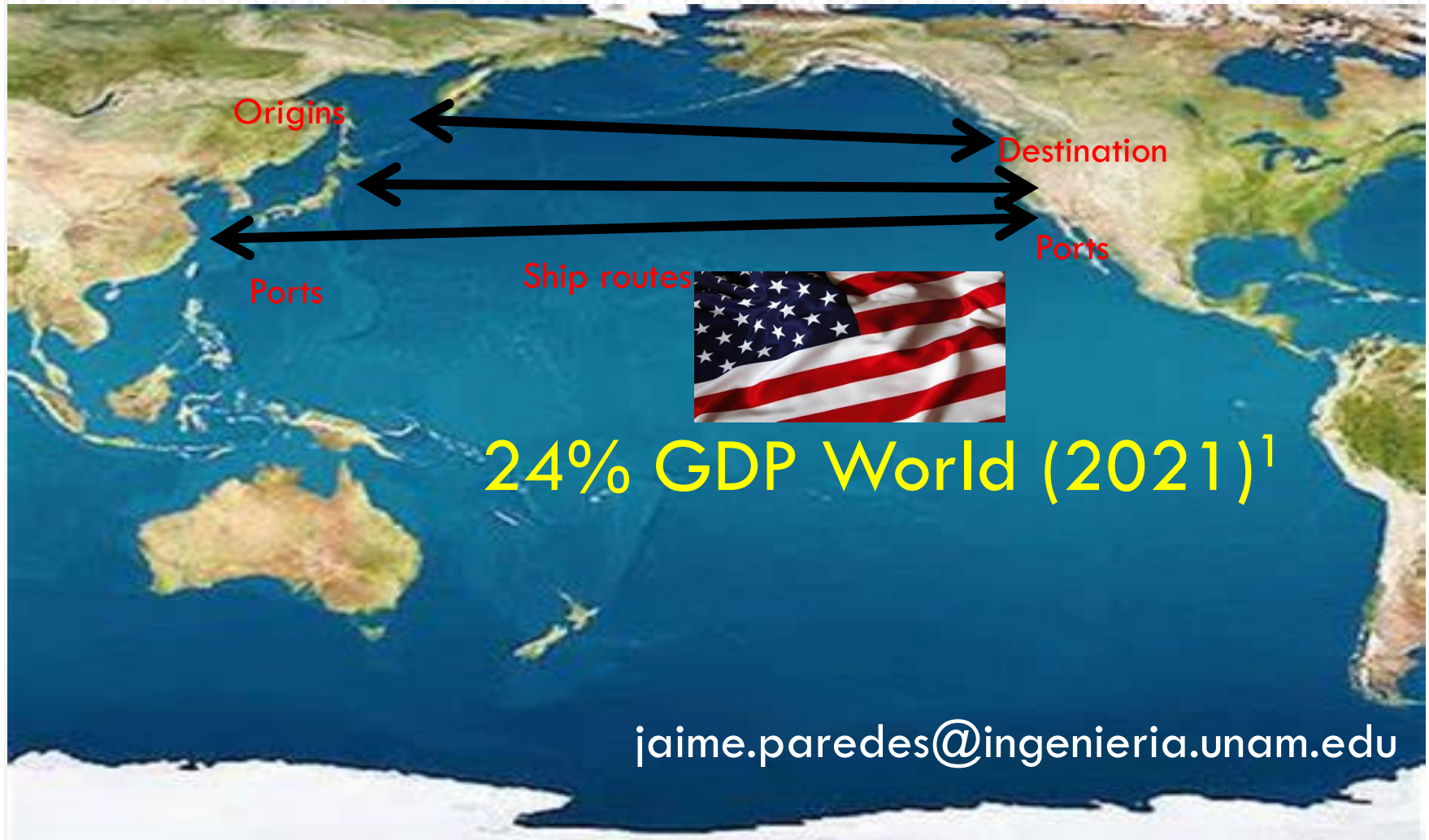
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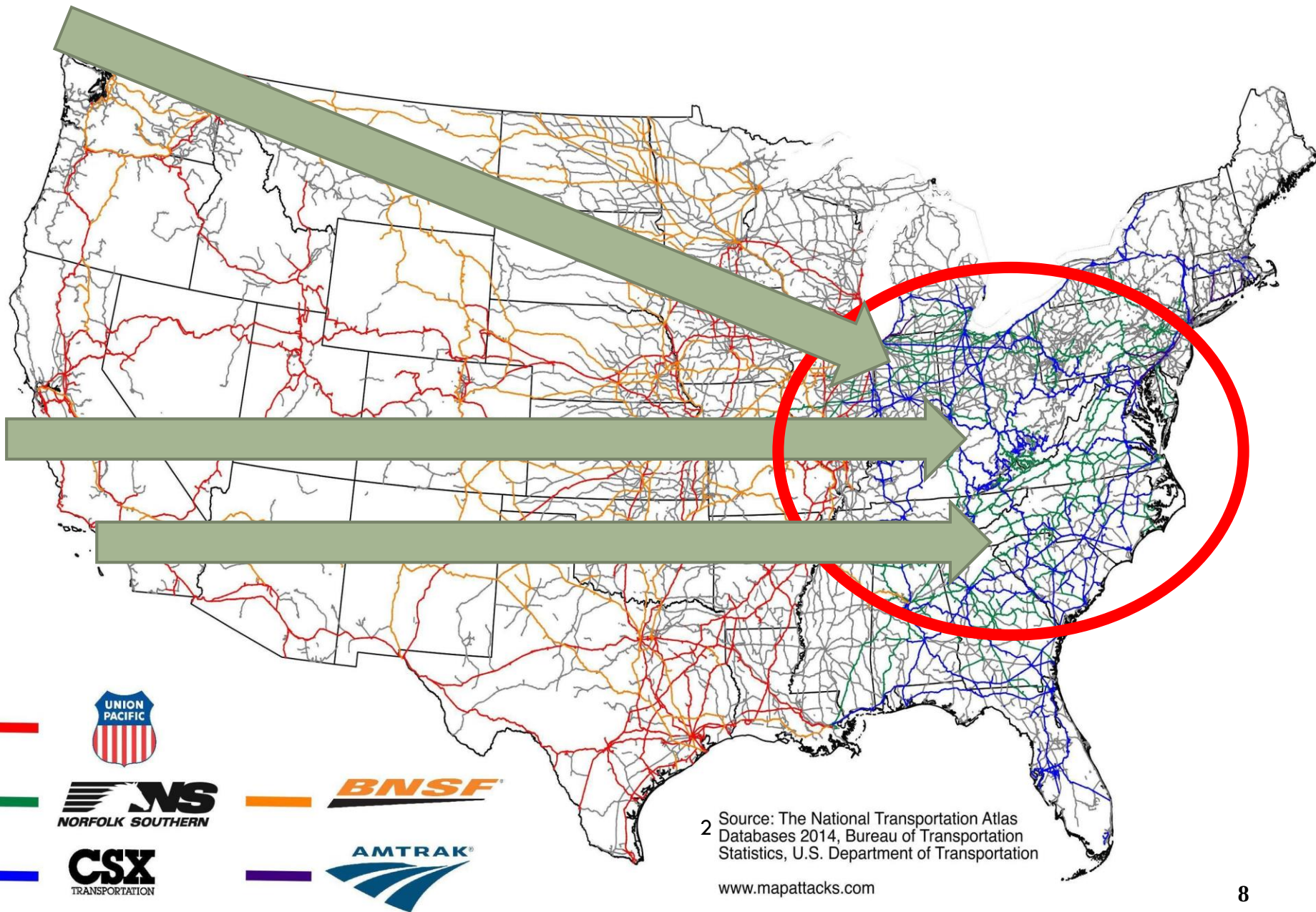


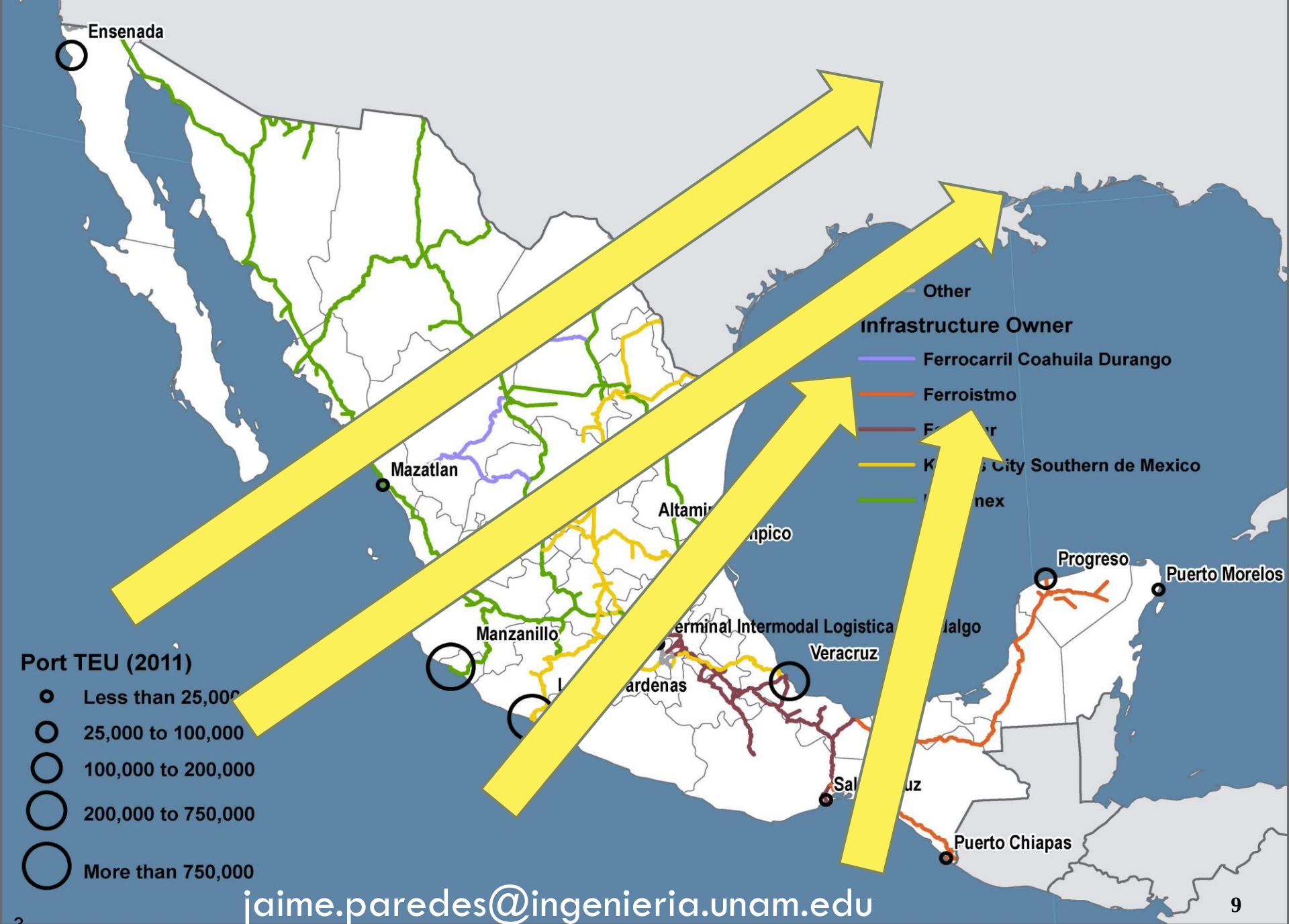
2. Mexico's Railway map

3. North America Railway routes from Asia:



¹ https://ycharts.com/indicators/us_gdp_as_a_percentage_of_world_gdp





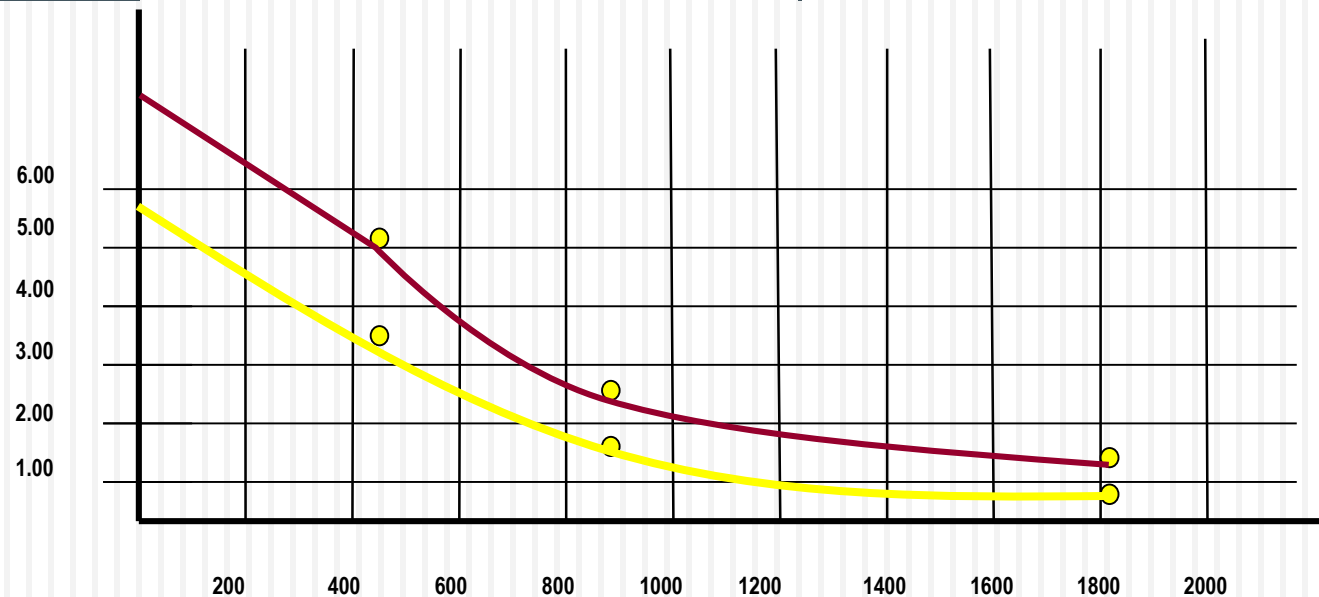
4. Opportunities.

Long distance benefits.

Railway Public rates 2022⁴

PRODUCT		CLASS	RAIL EQUIPMENT	T	LECH. P.N. 1801 KM.		MZO. LECH 957 KM.	LECH. VER. 448 KM.
CORN	BAGS	530	Box Car 60'	70	\$	1.0222	\$ 1.9237	\$ 4.1093
CORN	BULK	530	Hopper	90	\$	1.0215	\$ 1.9225	\$ 4.1066
CEMENT	BAGS	245	Box Car 60'	70	\$	0.9401	\$ 1.7692	\$ 3.7793
CEMENT	BULK	245	Hopper	90	\$	0.9395	\$ 1.7680	\$ 3.7766
WHEAT FLUOR	BAGS	10	Box Car 60'	70	\$	1.0978	\$ 2.0659	\$ 4.4130
STEEL SHEETS	ROLLS	11	Gons	90	\$	1.0574	\$ 1.9899	\$ 4.2507
KRAFT PAPER	PALLETS	580	Box Car 60'	70	\$	1.2498	\$ 2.3521	\$ 5.0243

Cost/Distance



Own elaboration ⁴

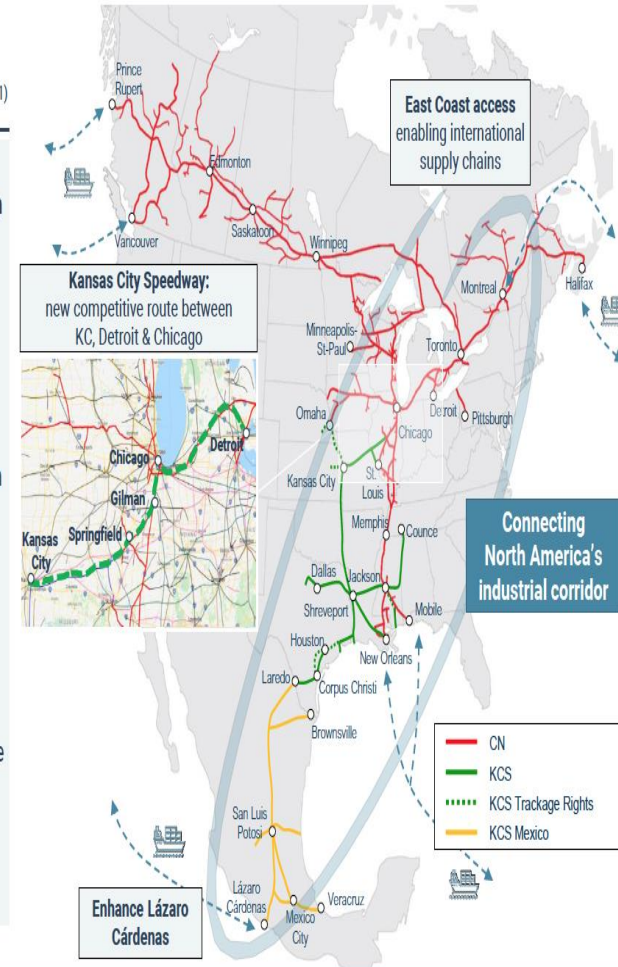
CPR or CN?

CN-KCS Will Create the End-to-End USMCA Rail Network



Unique Benefits of Combined Network ⁽¹⁾

- ✓ Secure North American supply chain
- ✓ Deliver goods faster at lower cost
- ✓ Enhanced choice for customers
- ✓ ESG-positive truck to rail conversion
- ✓ Single owner-operated rail network
- New single line service from Laredo to Michigan & Ontario
- KC to East Coast with no interchange
- Leverage Prince Rupert expertise in Mexico's ports

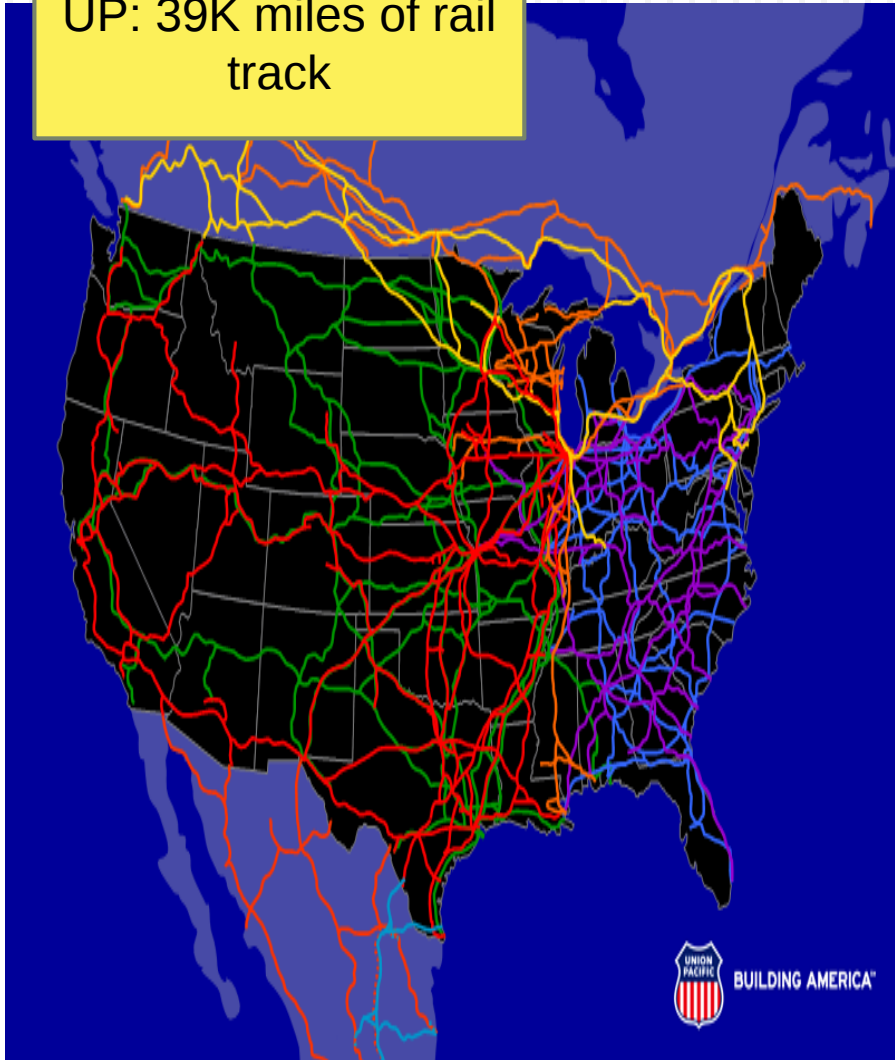


Facilitating trade and powering economic prosperity across North America

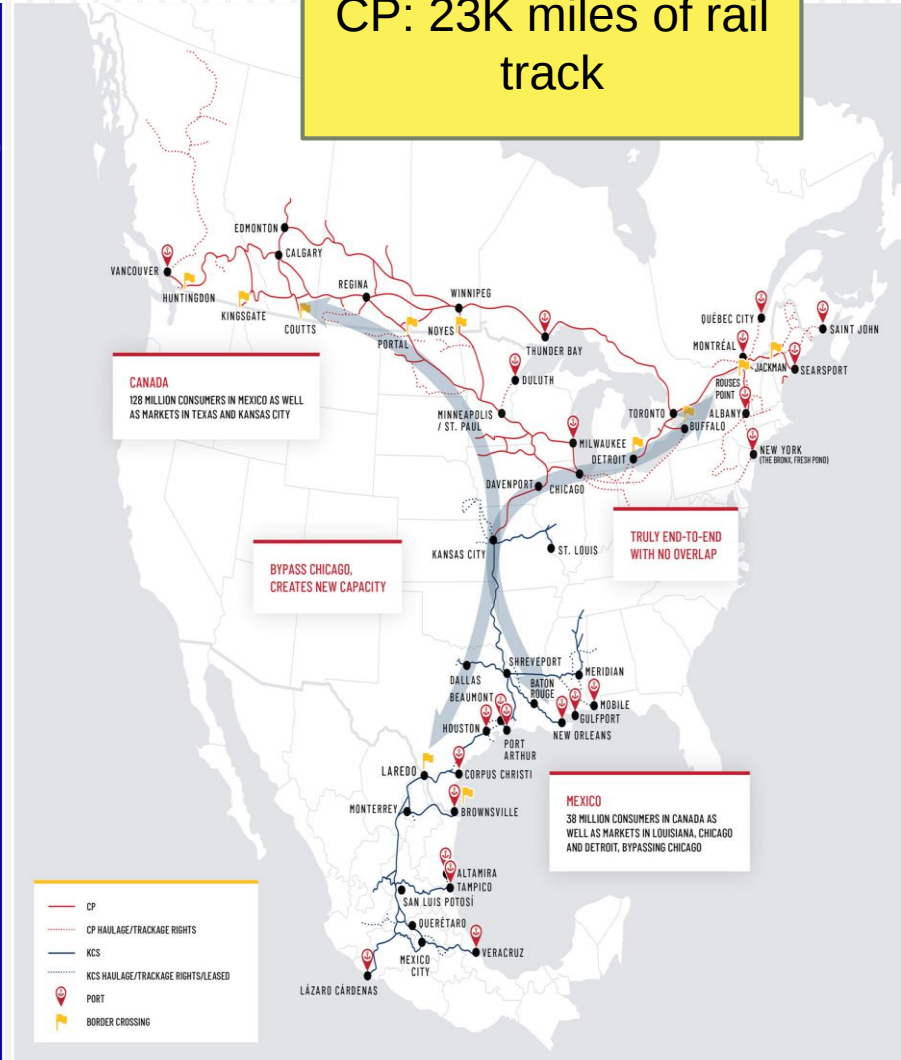


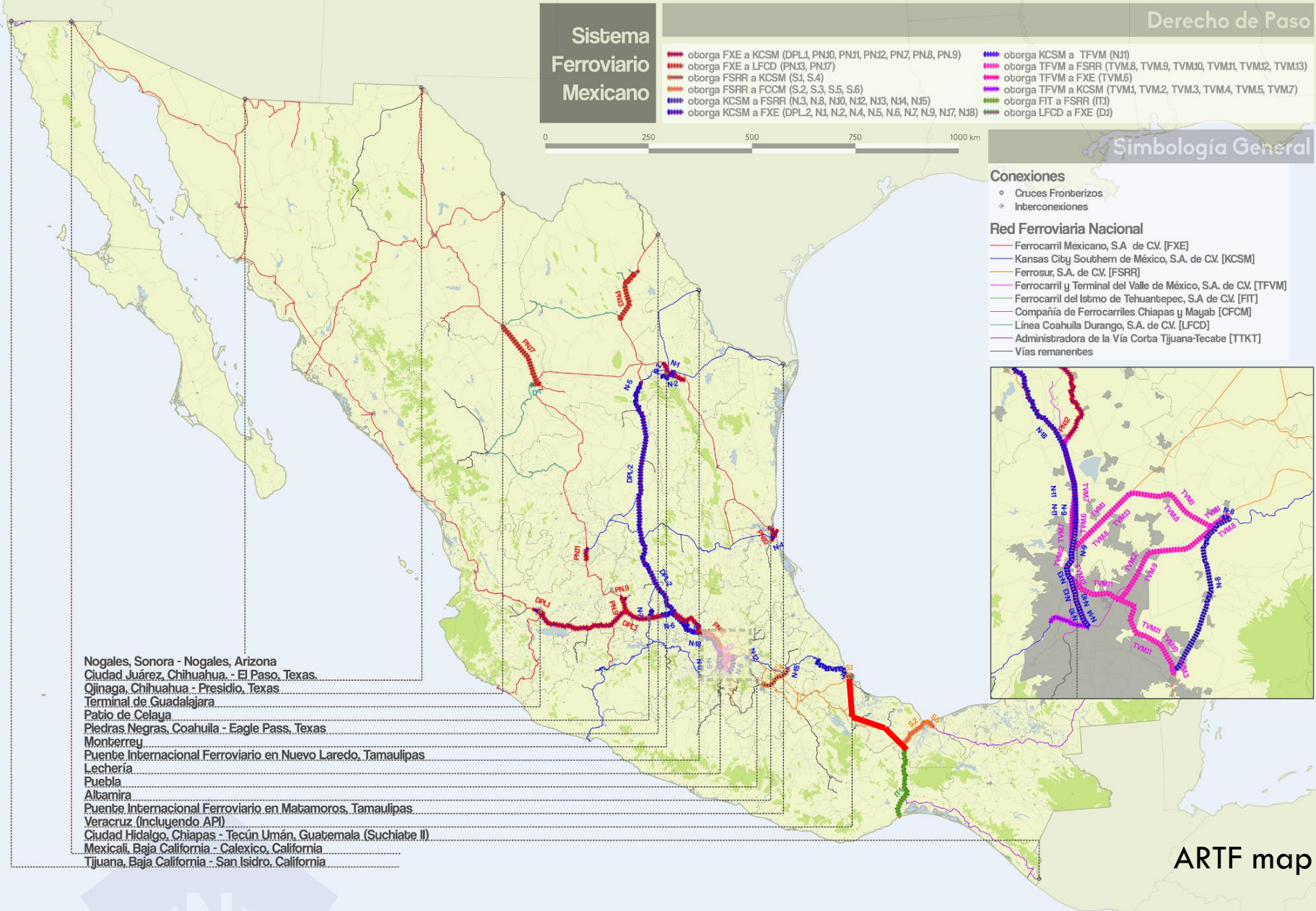
NORTH AMERICA RAILWAY TRACK

UP: 39K miles of rail track



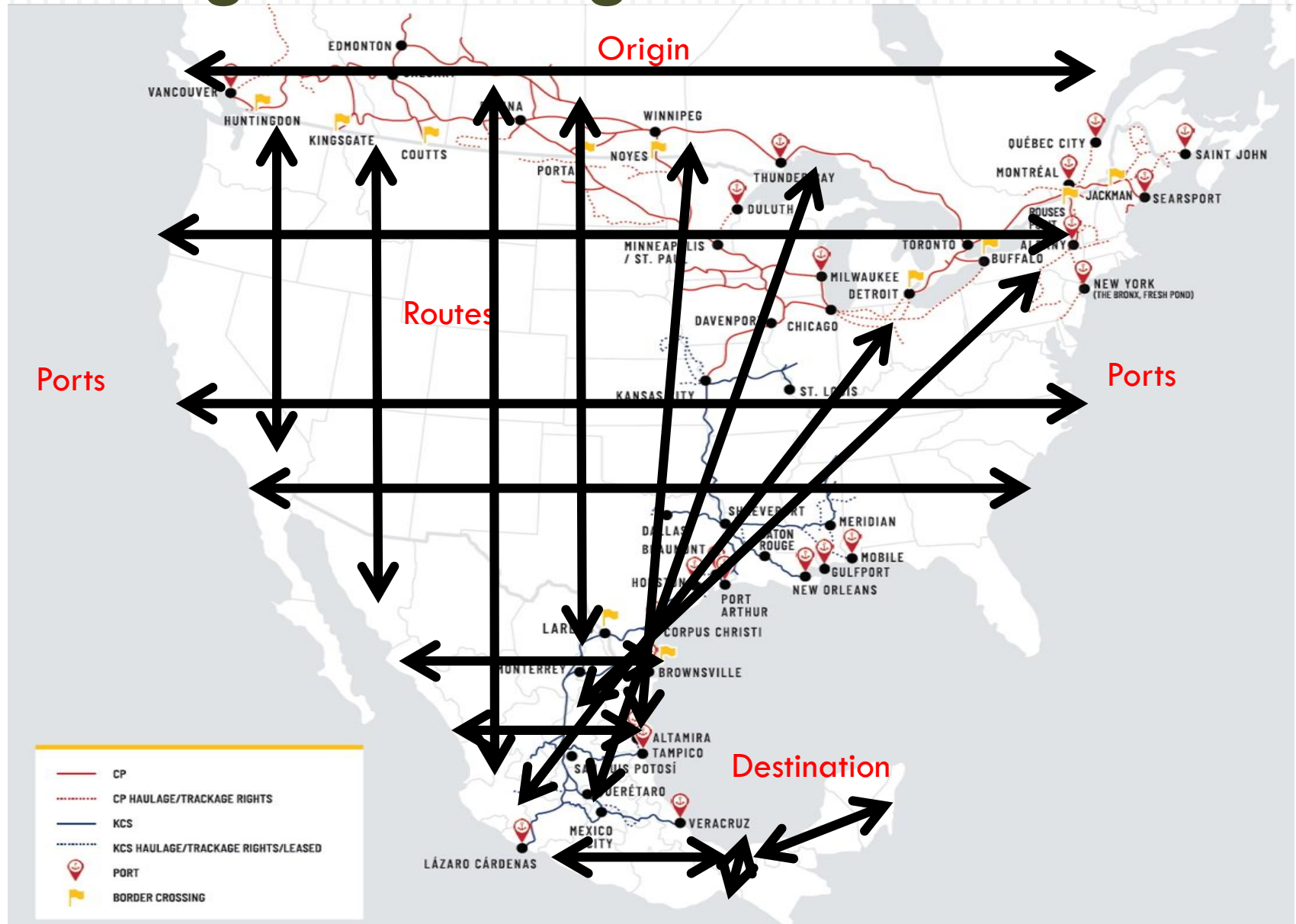
CP: 23K miles of rail track





5. Trackage rights & Port movements

Passengers: Air flights & low cost as UE



<https://www.trains.com/trn/canadian-pacific-kansas-city-southern-merger-to-redraw-class-i-railroad-map/>

<https://www.trains.com/trn/news-reviews/news-wire/canadian-national-announces-competing-bid-for-kansas-city-southern/>



Findings

1.Private industry

- Long distance benefits
- Rail Infrastructure may change from “Foreign Capital Investment” to “Capital share to invest”, i.e. dry ports, warehouses, KPI's, SCM efficiency
- Green movements (less CO₂ emissions)
- Production plants relocation into Mexico
- Multidisciplinary & culture team work to develop



Findings

2. Government

- New track routes & track yards, Intermodal
- Fulfillment Public Service requests
- International Strategic Railway Agency:
 - ✓ custom & fast track procedures
 - ✓ less papers
 - ✓ B2B
 - ✓ IOT
 - ✓ Rights & Obligations
 - ✓ International common law focused on Rail efficiency as TENT (*Trans European Network Transport*)
- High speed passengers opportunities between countries

Gracias